Attachment C: Financial Qualifications

Permit of License Bond

License or Permit Bond
License or Permit Bond No. 104967804
Travelers Casualty and Surety Company of America
14048 ParkEast Circle
Chantilly, VA 20151

KNOW ALL MEN BY THESE PRESENTS, That we, **FirstEnergy Solutions Corp.** as Principal, and **Travelers Casualty and Surety Company of America, a Connecticut** Corporation, and authorized to do business in Illinois, as Surety, are held and firmly bound unto THE PEOPLE OF THE STATE OF ILLINOIS as Obligee, in the sum of **Three Hundred Thousand Dollars and no/100 Dollars (\$300,000.00),** for which sum, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, by these presents.

THE CONDITIONS OF THIS OBLIGATION ARE SUCH, That WHEREAS, the Principal has been or is about to be granted a license or permit to do business to operate as an ARES (Alternative Retail Electric Supplier) under 220 ILCS 5/16-115 and is required to execute this bond under 83 Illinois Administrative Code Part 451.50 by the Obligee.

NOW, Therefore, if the Principal fully and faithfully perform all duties and obligations of the Principal as an ARES, then this obligation to be void; otherwise to remain in full force and effect.

This bond may be terminated as to future acts of the Principal upon thirty (30) days written notice by the Surety; said notice to be sent to 527 East Capitol Avenue, Springfield, Illinois 62701, of the aforesaid State of Illinois, by certified mail.

Dated this 8th day of October, 2007.

FirstEnergy Solutions Corp.

By James F. Pearson
(name/title)

Travelers Casualty and Surety Company of America

By Kimberly L. Miles
Kimberly L. Miles, Attorney-in-fact (name/title)

TRAVELERS

POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
Seaboard Surety Company
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No. 218064

Certificate No. 001544370

KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, that Farmington Casualty Company, Travelers Casualty and Surety Company, and Travelers Casualty and Surety Company of America are corporations duly organized under the laws of the State of Connecticut, that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Andrew K. Teeter, Donna J. Price, Douglas P. Taylor, Kimberly L. Miles, C. Lee Jordan, and Pamela V. Lanham

of the City of Charleston, State of West Virginia, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 28th day of March, 2007.

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
Seaboard Surety Company
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

State of Connecticut
City of Hartford ss.

By: George W. Thompson, Senior Vice President

On this the 28th day of March, 2007, before me personally appeared George W. Thompson, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.
My Commission expires the 30th day of June, 2011.

Marie C. Tetreault

Marie C. Tetreault, Notary Public

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Credit Ratings

STANDARD
&POOR'S

RATINGSDIRECT®

June 19, 2008

Summary:
First Energy Solutions Corp.

Primary Credit Analyst:
Todd A Shipman, CFA, New York (1) 212-438-7676; todd_shipman@standardandpoors.com

Table Of Contents

Summary:
First Energy Solutions Corp.

Credit Rating: BBB/Negative/--

Rationale

The ratings on First Energy Solutions Corp. are based on the consolidated credit profile of its parent, FirstEnergy Corp. FirstEnergy is a merchant energy and utility holding company with seven electric utility subsidiaries, including Cleveland Electric Illuminating Co., Ohio Edison Co., and Toledo Edison Co. in Ohio; Pennsylvania Power Co., Pennsylvania Electric Co., and Metropolitan Edison Co. in Pennsylvania; and Jersey Central Power & Light Co. in New Jersey. Electric generating assets and operations are housed in subsidiary FirstEnergy Solutions Corp.

The 'BBB' corporate credit rating on FirstEnergy Corp. and subsidiaries mostly reflects the company's traditional business configuration as an integrated electric utility holding company with most assets dedicated to serving customers in Ohio, Pennsylvania, and New Jersey in a regulated or pseudo-regulated manner. Restructuring developments in each of those states have over time eroded the integrated and regulated nature of FirstEnergy, and the company appears to be strategically committed to eventually eradicating any vestige of rate regulation over its generating assets in Ohio and Pennsylvania.

Under the Ohio restructuring law that was recently updated, electric utilities will have the ability to transition to market-based rates for their generation, and FirstEnergy in particular will gain that opportunity sooner than other Ohio utilities. FirstEnergy's rate-stabilization plans will expire at the end of 2008. Filings later this year for successor plans at each Ohio utility (now dubbed electric security plans in the new legislation) will reveal FirstEnergy's appetite for exposing its Ohio generation to competitive markets and the pace at which that will occur. The company has also attempted to gain approval for a transition to market-based generation rates through competitive bidding in Pennsylvania. Ratings on FirstEnergy and its subsidiaries could be affected by the strategic direction it takes regarding its generating fleet and the length of the transition to market.

Liquidity

The liquidity needs of FES are managed by parent FirstEnergy. FirstEnergy's liquidity is strong. The companies have a total of $2.75 billion of credit facilities through 2011, another $100 million facility that expires at the end of 2009, and about $550 million in receivable financing at the operating companies. Debt maturities for the rest of 2008 are light at a little over $300 million.

Outlook

The negative outlook is based on the possibility that FirstEnergy will successfully transform its Ohio generation assets into merchant plants in a rapid fashion that is not offset by a countervailing reduction in financial risk either through deleveraging or enhanced cash flow. Merchant status in Ohio and later in Pennsylvania would expose all of its generation to market risk, and a majority of its earnings and future cash could be sourced from that higher-risk activity. The ratings could be lowered or affirmed after regulatory filings in response to the new Ohio law are made and the strategic direction of the company is clearer. The outlook could be revised to stable if a complete move to market is averted in the short term through another multiyear rate stabilization plan, or if the company can demonstrate that in the long-term greater financial strength can counteract the higher business risk of being a primarily merchant electric generator.

Moody's Investors Service

Credit Opinion: FirstEnergy Solutions Corp.

FirstEnergy Solutions Corp.

Akron, Ohio, United States

Ratings

Category	Moody's Rating
Outlook	Stable
Issuer Rating	Baa2
Parent: FirstEnergy Corp.	
Outlook	Stable
Issuer Rating	Baa3
Sr Unsec Bank Credit Facility	Baa3
Senior Unsecured	Baa3

Contacts

Analyst	Phone
Scott Solomon/New York	201.915.8764
William L. Hess/New York	212.553.3837

Key Indicators

[1]
FirstEnergy Solutions Corp. (The)

	3Q 08 LTM	2007	2006	2005
(CFO Pre-W/C + Interest) / Interest Expense	7.0x	6.2x	5.5x	4.1x
(CFO Pre-W/C) / Debt	17%	20%	21%	16%
(CFO Pre-W/C - Dividends) / Debt	14%	17%	21%	16%
(CFO Pre-W/C - Dividends) / Capex	72%	104%	149%	139%
Debt / Book Capitalization	69%	66%	68%	74%
EBITA Margin %	24%	25%	23%	15%

[1] All ratios calculated in accordance with the Global Regulated Electric Utilities Rating Methodology using Moody's standard adjustments.

Note: For definitions of Moody's most common ratio terms please see the accompanying User's Guide.

Opinion

Corporate Profile

FirstEnergy Solutions Corp. (FES; Baa2 Issuer Rating, stable outlook) is a wholly owned subsidiary of FirstEnergy Corp. (FE; Baa3 senior unsecured, stable outlook). FES owns and operates fossil and hydroelectric generating facilities through its FirstEnergy Generation Corp. (FGCO) subsidiary and three nuclear plants through its FirstEnergy Nuclear Generation Corp. (NGC) subsidiary.

FES' generating portfolio includes 13,480 MW of capacity which is comprised of coal-fired (7,932 MW or 59% of the portfolio), nuclear (3,439 MW or 26%), gas/oil-fired (1,513 MW or 11%) and hydro (451 MW or 3%). FES has expanded its renewable assets by adding 145 MW of wind in 2007 with an additional 70 MW expected in 2008. Most of FES' assets are located in PJM and MISO within Ohio and in the bordering regions of Pennsylvania and Michigan.

Recent Events

Ohio's Amended Substitute Senate Bill 221 was signed by the Governor on May 1, 2008 and has an effective date of July 31, 2008. The bill restructured the regulatory process for Ohio's regulated utilities by creating a hybrid structure for generation service. Under the bill, electric distribution utilities must file updated rate stabilization plans, now called Electric Security Plans (ESP), including a proposal for the supply and pricing of retail generation, which could effectively delay the full implementation of market rates for generation. Utilities also have the option to file a Market Rate Offer for market-based pricing for generation service.

A notice of intent was given in March 2008 by NGC that it will acquire ownership of an additional 18.26% undivided interest in Beaver Valley Unit 2 from the current leaseholders.

FES purchased a partially completed 707 MW natural gas-fired power plant located in Fremont, Ohio from Calpine Corporation in January 2008 for approximately $254 million. Completion costs, subject to revision, are estimated at $150 to $200 million over the next two years.

FES executed a $1.3 billion sale and leaseback of a 93.825% equity interest in Bruce Mansfield Unit 1 in July 2007. In October 2007, affiliated companies' leasehold interests in Bruce Mansfield Units 1, 2, and 3 were assigned to FGCO.

Rating Rationale

FES' Baa2 Issuer Rating reflects its solid financial metrics, stable near-term cash flows, the diversity and scale of its generating capacity, and the strategic and economic importance to the FE family. These strengths are tempered by FES' substantial capital expenditures needed for environmental compliance, possible federal legislation relating to the emission of greenhouse gases, and uncertainty with respect to the transition to market prices in Pennsylvania in 2011.

The primary drivers for the ratings and outlook are as follows:

STABLE NEAR-TERM CASH FLOW WITH UNCERTAINTY REGARDING THE TRANSITION TO MARKET PRICES

FES' power contracts with FE's utility subsidiaries will provide FES a steady stream of cash flow over the near-term. While the partial requirements agreement with the Pennsylvania-based utilities expires at the end of 2010, the power sale agreement with FE's Ohio-based utilities rolls off at the end of this year. Beginning in 2009, FES is expected to provide generation to the Ohio utilities at market rates through either a power supply arrangement within an Electric Security Plan or as a participant in the competitive bidding processes under a Market Rate Offer. It is unknown at this time what structure the resulting contract will take or how the bidding process will play out, but the transition to higher margin sales may have a beneficial impact on FES' financial performance and coverage metrics. FES also has energy and capacity available for sale into the wholesale and spot markets.

STRONG FINANCIAL PERFORMANCE

FES' financial performance, which incorporates adjustments by Moody's, remained strong and in line with its rating level. Cash Flow from Operations (CFO) pre-working capital interest coverage was 6.2 times at December 31, 2007, up from 5.5 times the previous year, while CFO pre-working capital to debt remained relatively unchanged at 20% and 21%, respectively. Metrics for the twelve-months ending March 31, 2008 were 7.0 times and 17%, respectively. The year-over-year fiscal year improvement is the result of increased sales volume and higher prices. The decline in debt coverage for the trailing twelve-month period is the result of increased debt related to the repurchase of FES' rate pollution control revenue bonds during the first quarter. Credit metrics should continue to improve over the near-term as sales volumes increase, due to expected incremental increases in output, and higher prices resulting from supply contracts transitioning to market-based rates.

LOW-COST, COMPETITIVE GENERATING PORTFOLIO

FES' generating portfolio consists of low-cost generating assets with a diverse mix of fuel types that are competitively positioned within both PJM and MISO. Baseload fleet capacity factors have averaged in the mid-80% range over the last five years reflecting on the quality of the assets. FES has contracted for nearly 100% of its coal requirements for the next three years with 100% of transportation needs contracted as well. The benefits derived from the plant's strong operating characteristics are offset by the large capital expenditure requirement over the next few years necessary to meet emission requirements.

SUBSTANTIAL CAPITAL EXPENDITURES FOR ENVIRONMENTAL COMPLIANCE

FES is expecting to spend $3.3 billion over the next five years on capital expenditures with $1.4 billion, or approximately 42%, relating to environmental expenditures necessary to bring the generating units into compliance with various federal and state environmental regulations. Most of the environmental expenditures, $1.1 billion or about 82%, will be incurred over the next two years.

While fuel diversity at FES is seen as a credit positive, the significant amount of coal-fired generation exposes it to future potential legislative or regulatory policies aimed at reducing CO2 emissions. However the reduction targets are structured, whether through a carbon tax or cap and trade system, the results are likely to cause FES' cost structure to increase. Given that FES is an unregulated entity; such an increase in its cost structure may not be directly passed through to end users as with regulated utility operators. It can't be assumed that the price of power in the PJM and MISO markets will automatically adjust to cover those higher costs. The amount of FES nuclear generation, which would not have a related cost structure increase, could mitigate this exposure.

Liquidity Profile

FES has a $1 billion sub-limit under FE's $2.75 billion credit facility expiring in August 2012. Borrowings under this facility are on a 364-day basis. The facility contains a 65% debt to capitalization covenant, applicable to all borrowers. FES' debt to capitalization, as defined by the loan document, was 61% at March 31, 2008. Borrowings under the facility totaled $700 million at quarter-end. FES also has access to FE's unregulated-entity money pool. Borrowings from the money pool by FES subsidiaries totaled $1,146 million at quarter-end, a substantial increase from the $264 million outstanding at the end of 2007. FES also had notes receivable from associated companies totaling $737 million at quarter end, up significantly from the $93 million at the end of 2007.

FES repurchased the auction rate pollution control revenue bonds (PCRB) of FGCO and NGC, totaling $455.7 million, which was financed with short-term borrowings, temporarily impacting FES' liquidity. FES subsequently refinanced the $179.5 million of NGC PCRBs on June 6 and expects to close on the refinancing of the $276.2 million of FGCO PCRBs on June 30.

Rating Outlook

The stable rating outlook reflects the stability of FES' contracted revenue, the low-cost, diverse nature of the generating assets, and the importance of these assets within the FE family. The outlook also incorporates our expectation that capital expenditures will be within forecasts and that FES' liquidity cushion will return to previous levels by year-end.

What Could Change the Rating - Up

Upward rating pressure could develop if the transition to market prices in Ohio results in a significant, sustainable increase in FES' credit metrics.

What Could Change the Rating - Down

The rating could go down if significant issues arise with the transition to market prices for generation in Ohio or Pennsylvania, or there is a sustainable decline in FES' credit metrics.